

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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IN RE: : **Chapter 11**  
ARCAPITA BANK B.S.C.(c), *et al.*, : **Case No. 12-11076 (SHL)**  
**Debtors.** : **Jointly Administered**  
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**STATEMENT OF FINANCIAL AFFAIRS FOR**

**Falcon Gas Storage Company, Inc.**

**Case No: 12-11790**

**GIBSON, DUNN & CRUTCHER LLP**

Michael A. Rosenthal (MR-7006)  
Matthew J. Williams (MW-4081)  
Matthew K. Kelsey (MK-3137)  
200 Park Avenue  
New York, New York 10166-0193  
Telephone: (212) 351-4000  
Facsimile: (212) 351-4035

Attorneys for the Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re** : Chapter 11 Case  
**ARCAPITA BANK B.S.C.(c), et al.,**  
Debtors. : Case No. 12-11076 (SHL)  
: Jointly Administered  
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**GLOBAL NOTES AND STATEMENT OF  
LIMITATIONS, METHODOLOGY AND DISCLAIMER  
REGARDING THE DEBTORS' SCHEDULES OF ASSETS  
AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

On March 19, 2011 (the “*Petition Date*”), Arcapita Bank B.S.C.(c) (“*Arcapita*”) and certain of its affiliates as debtors and debtors in possession (collectively, the “*Debtors*” and together with their non-Debtor affiliates, the “*Arcapita Group*”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Court*”). The Schedules of Assets and Liabilities and Statement of Financial Affairs, including all attachments thereto (the “*Schedules and Statements*”) have been prepared pursuant to section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedures (the “*Bankruptcy Rules*”) by management of the Debtors and are unaudited.

While the Debtors management has made every effort to ensure that the Schedules and Statements are accurate and complete based on information that was available at the time of preparation, inadvertent errors or omissions may have occurred. The Debtors reserve all rights to amend or supplement the Schedules and Statements as is necessary and appropriate.

Essa Zainal has signed the Schedules and Statements of each of the filing Debtors other than Falcon Gas & Storage which Schedules and Statements have been signed by Brian McCabe. In reviewing and signing the Schedules and Statements, Messrs. Zainal and McCabe respectively have necessarily relied upon the efforts, statements and representations of various personnel of

the Debtors. Messrs Zainal and McCabe have not (and could not have) personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors.

These Global Notes and Statement of Limitations, Methodology and Disclaimer Regarding the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs (the "***Global Notes***") pertain to, are incorporated by reference in and comprise an integral part of all of the Schedules and Statements. The Global Notes should be referred to and reviewed in connection with any review of the Schedules and Statements.<sup>1</sup>

The Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), nor are they intended to be fully reconciled to the Debtors' financial statements (whether publicly filed or otherwise). The Schedules and Statements contain unaudited information that is subject to further review and potential adjustment. In preparing the Schedules and Statements, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. In some instances, data relating to discontinued business locations could not be located, although the Debtors attempted in good faith to obtain as much information as was reasonably possible. The Debtors have made reasonable and good faith efforts to ensure the accuracy and completeness of such financial information, but further research or discovery may identify subsequent information that may necessitate material amendments to the Schedules and Statements. As a result, the Debtors are unable to warrant or represent that the Schedules and Statements are without inadvertent errors, omissions or inaccuracies. The Debtors reserve all rights to amend or supplement the Schedules and Statements as is necessary and appropriate.

Nothing contained in the Schedules and Statements shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases, including, without limitation, any issues involving substantive consolidation, equitable subordination, defenses and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant applicable laws to recover assets or avoid transfers.

1. **Summary of Significant Reporting Policies.** The following is a summary of significant reporting policies:

- a) Accruals. The Debtors have made every reasonable attempt to list all accruals attributable to a specific creditor on their liabilities schedules.
- b) Amendments and Supplements. While the Debtors made reasonable and good faith efforts to file complete and accurate Schedules and Statements, inadvertent

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<sup>1</sup> These Global Notes are in addition to the specific notes contained in each Debtor's Schedules and Statements. The fact that the Debtors have prepared a "Specific Note" with respect only to specific Schedules and Statements should not be interpreted as a decision by the Debtors to exclude the applicability of such Specific Note to any of the Debtors' remaining Schedules and Statements, as appropriate.

errors or omissions may exist. The Debtors reserve all rights to amend or supplement the Schedules and Statements as is necessary and appropriate.

- c) Bankruptcy Court Orders. Pursuant to various orders entered or to be entered by the Bankruptcy Court (collectively, the "*Pre-petition Payment Orders*"), the Debtors were or will be authorized to pay certain outstanding pre-petition claims, including, without limitation, certain claims of employees for wages, salaries and benefits, certain tax claims and certain claims of critical vendors, and foreign creditors. However, despite the Debtors' good faith efforts to account for the satisfaction of such claims pursuant to the Pre-petition Payment Orders, the claims listed in the Schedules and Statements may not reflect amounts paid pursuant to these various orders as such claims were unpaid as of the Petition Date. Moreover, to the extent such claims are listed on the Schedules and Statements, inadvertently or otherwise, the Debtors do not waive any right to amend the Schedules and Statements and/or subsequently object to such claims on any basis, including that such claims have already been satisfied through payments with respect to the Pre-petition Payment Orders.
- d) Claims Description. Any failure to designate a claim on a given Debtor's Schedules and Statements as "disputed," "contingent," or "unliquidated" does not constitute an admission by the Debtor that such amount is not "disputed," "contingent," or "unliquidated." The Debtors reserve all rights to dispute any claim, whether reflected on their respective Schedules and Statements or asserted pursuant to a filed proof of claim, on any grounds, including, without limitation, liability or classification, or to otherwise subsequently designate such claims as "disputed," "contingent," or "unliquidated."
- e) Classifications. Listing a claim or contract (1) on Schedule D as "secured," (2) on Schedule E as "priority," (3) on Schedule F as "unsecured," or (4) on Schedule G as "executory" or "unexpired," does not constitute an admission by the Debtors of the legal rights of the claimant, or a waiver of the Debtors' right to recharacterize or reclassify such claim or contract.
- f) Causes of Action. Despite reasonable and good faith efforts, the Debtors may not have identified and/or set forth all of their causes of action (filed or potential) against third parties as assets in their Schedules and Statements. The Debtors reserve all rights with respect to any causes of action, and nothing in the Global Notes or the Schedules and Statements shall be deemed a waiver of any such causes of action. Similarly, in instances where the Debtors are defendants in pending causes of action, nothing in the Global Notes or the Schedules and Statements shall be deemed as an admission or determination with respect to, or a waiver of any defense or objection to, such causes of action, and all of the Debtors' defenses, objection and other rights with respect to such causes of action are hereby preserved.
- g) Schedules and Statement Reflect Assets at Net Book Value. In certain instances, market valuations are neither maintained by, nor readily available to, the Debtors.

In other instances, market valuations are available but they are out-of-date. Accordingly, unless otherwise indicated, the Debtors' Schedules and Statements reflect the Debtors' assets at net book values. Market values of these assets may vary, at some times materially, from the net book value of such assets. As applicable, assets that have been fully depreciated or were expensed for accounting purposes have no net book value.

- h) Confidential Information. There may be instances in the Schedules and Statements where the Debtors deem it necessary and appropriate to redact from the public record information such as names, addresses or amounts. Typically, the Debtors have used this approach because of an agreement between the Debtors and a third party, concerns of confidentiality or the protection of commercial information, or concerns for the privacy of an individual. In addition, certain of the Debtors are parties to executory contracts with confidentiality provisions and, where applicable, confidential information has not been included in the Schedules and Statements. Notwithstanding redaction in the Statements and/or Schedules, the Debtors will include the relevant un-redacted information in any customized proof of claim form provided to any such creditor.
- i) Estimates and Assumptions. In preparing the Schedules and Statements, the Debtors were required to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure and potential values of contingent assets and liabilities on the date of the Schedules and Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, perhaps materially.
- j) Executory Contracts and Unexpired Leases. The Debtors have not set forth executory contracts and unexpired leases as assets in the Schedules and Statements, even though these contracts may have some value to the Debtors' estates. The Debtors' executory contracts and unexpired leases have been set forth in Schedule G. The Debtors' rejection of executory contracts and unexpired leases will result in the assertion of rejection damages claims; as no such contracts and leases had been rejected by Court order on the Petition Date, and no rejection damages claims had been filed as of such Date, the Schedules and Statements do not reflect any claims for rejection damages claims. The Debtors reserve the right to make any arguments and objections with respect to the assertion of any such claims.
- k) Foreign Currency. All amounts are reflected in U.S. dollars. Notwithstanding, certain values are carried on the Debtor's books and records in currencies other than U.S. dollars and such amounts have been converted to U.S. dollar equivalents for purposes of inclusion on the Statements and Schedules.
- l) GAAP. Given the difference between the information requested in the Schedules and Statements, and the financial information utilized under GAAP, the aggregate asset values and claim amounts set forth in the Schedules and Statements do not

necessarily reflect the amounts that would be set forth in a balance sheet prepared in accordance with GAAP.

- m) Insiders. For purposes of the Schedules and Statements, the Debtors define "insiders" pursuant to section 101(31) of the Bankruptcy Code as: (a) directors; (b) officers; (c) shareholders holding in excess of 5% of the voting shares of the Debtors; (d) relatives of directors, officers, or shareholders holding in excess of 5% of the voting shares of the Debtors; and (e) debtor affiliates.

Persons listed as "insiders" have been included for informational purposes only. The Debtors do not take any position with respect to: (a) such person's influence over the control of the Debtors; (b) the management responsibilities or functions of such individual; (c) the decision-making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability, or for any other purpose.

- n) Intellectual Property Rights. Exclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have been abandoned, have been terminated or otherwise expired by their terms or have been assigned or otherwise transferred pursuant to a sale, acquisition or other transaction. Conversely, inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, have not been terminated or otherwise expired by their terms, or have not been assigned or otherwise transferred pursuant to a sale, acquisition or other transaction. The Debtors have made every effort to attribute intellectual property to the Debtor that is the rightful owner of such intellectual property. However, in some instances intellectual property owned by one Debtor may, in fact, be owned by another. Accordingly, the Debtors reserve all of their rights with respect to the legal status of any and all such intellectual property rights.
- o) Intercompany Claims. Receivables and payables among the Debtors in these cases (each an "*Intercompany Receivable*" or "*Intercompany Payable*" and, collectively, the "*Intercompany Claims*") are reported on Schedule B(16) and Schedule F, respectively, as a net receivable or payable due to or from the applicable Debtor to or from the other Debtors. Where no balance is listed, the Debtors do not believe, based on information currently available, that the applicable Debtor has any Intercompany Receivables or Intercompany Payables. This manner of reporting follows the Debtors' customary practice of reporting such claims. The listing of any amounts with respect to Intercompany Claims is not and shall not be construed as an admission of the characterization of such balances, as debt, equity or otherwise.
- p) Liabilities. The Debtors allocated liabilities between the prepetition and post-petition periods based on the information and research conducted in connection with the preparation of the Schedules and Statements. As additional information

becomes available and further research is conducted, the allocation of liabilities between the pre-petition and post-petition periods may change. The Debtors reserve all rights to modify, amend and supplement the Schedules and Statements as is necessary and appropriate.

- q) Recharacterization. Notwithstanding that the Debtors have made reasonable efforts to correctly characterize, classify, categorize or designate certain claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements, the Debtors nonetheless may have improperly characterized, classified, categorized or designated certain items. Thus, the Debtors reserve all rights to recharacterize, reclassify, recategorize or redesignate items reported in the Schedules and Statements at a later time as is necessary and appropriate.
- r) Setoffs. The Debtors routinely are subject to certain setoffs and other similar rights in the ordinary course of business. Setoffs in the ordinary course can result from various items, including, but not limited to, intercompany transactions. These normal setoffs and other similar rights are consistent with the ordinary course of business in the Debtors' businesses and can be particularly voluminous, making it unduly burdensome and costly for the Debtors to list such transactions. Therefore, although the exercise of such setoffs and other similar rights may have been taken into consideration when scheduling certain amounts, setoffs and these other rights are not independently accounted for, and as such, are excluded from the Schedules and Statements.
- s) Petition Date. Financial information for the Debtors is, unless otherwise noted herein or in the Schedules and Statements, provided as of close of business on March 18, 2012 for all Debtors other than Falcon Gas which is reported as of its petition date of April 30, 2012.
- t) Third-Party Property. In the ordinary course of their business, the Debtors use and hold property owned by third-parties pursuant to contracts and leases with such parties. Such leases or contracts are set forth in Schedule G. The property subject to any such leases or contracts is not reflected in either Schedule A or Schedule B as either owned property or assets of the Debtors. Neither is the property subject to any such leases or contracts reflected in the Debtors' SOFAs as property or assets of third-parties within the control of the Debtors. Nothing contained in the Schedules and Statements is or shall be construed as an admission or determination as to the legal status of any lease (including, but not limited to, whether any lease is a true lease or a financing arrangement) or contract (including, but not limited to, whether the contract is, in fact, an executory contract), and the Debtors reserve all rights with respect to any such issues.
- u) Totals. All totals that are included in the Schedules and Statements represent totals of all known amounts included in the Debtors' books and records as of the

Petition Date. To the extent there are unknown or undetermined amounts, the actual total may be different than the listed total.

- v) Undetermined Amounts. The description of an amount as "unknown," "TBD," or "undetermined" is not intended to reflect upon the materiality of such amount.
- w) Entity Classification Issues. The Debtors have endeavored in good faith to identify the assets owned by each Debtor and the liabilities owed by each Debtor. While the Schedules reflect the results of this effort, several factors may impact the ability of the Debtors precisely to assign assets and liabilities to particular Debtor entities, including but not limited to (a) certain assets may be primarily used by a Debtor other than the entity which holds title to such assets according to the Debtors' books and records; (b) certain liabilities may have been nominally incurred by one Debtor, yet such liabilities may have actually been incurred by, or the invoices related to such liabilities may have been issued to or in the name of, another Debtor; and (c) certain creditors of the Debtors may have treated one or more of the Debtors as a consolidated entity rather than as differentiated entities.

## 2. Specific Schedules and Statements Disclosures

- a) Schedule B. Schedule B lists the Debtors' personal property such as, among other things, petty cash, cash held in the Debtors' bank accounts, equity interests in incorporated businesses, accounts receivable and the Debtors' interest in a Directors and Officers Liability Policy with Marsh Ltd.
  - i. Schedule B(2). Bank account balances reflect the close of business balance on March 18, 2012. This balance varies slightly from the opening cash balances on March 19, 2012 due to checks clearing overnight. In addition to the bank accounts, Schedule B(2) includes placement accounts.
  - ii. Schedule B(16). Schedule B(16) contains general receivables due to the Debtors and also includes receivables on loans to certain deal companies and receivables from the Debtors' various deal structures.
- b) Schedule C. Because the Debtors do not claim any property as "exempt," they have not included a Schedule C that would otherwise list any "exempt" property.
- c) Schedule D. Except as otherwise agreed pursuant to a stipulation or order entered by the Bankruptcy Court, the Debtors reserve their rights to dispute or challenge the validity, perfection, or immunity from avoidance, or any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor's claim. The descriptions provided in Schedule D are intended only to be a summary. References to the applicable loan agreements and related documents

are necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the Global Notes shall be deemed a modification or interpretation of the terms of such agreements.

The Schedule D for Arcapita lists Standard Chartered Bank as holder of two secured claims with an aggregate claim amount of \$96,674,839.04. Standard Chartered Bank is also listed on Schedule D of the other Debtors but its claim amount against such Debtors is undetermined.

- d) Schedule E. The Debtors have authority to pay certain prepetition obligations, including the authority to pay employee wages and other employee benefits in the ordinary course of business pursuant to Court order (the "***Employee Wage and Benefit Order***"). Pursuant to the Employee Wage and Benefit Order, the Debtors believe that any employee claims for prepetition amounts related to ongoing payroll and benefits, whether allowable as a priority or non-priority claim, have been or will be satisfied, and such satisfied amounts are not listed on Schedule E.
- e) Schedule F. Whenever reasonably practicable, the Debtors have allocated liabilities to particular Debtors. However, for a number of reasons, in certain cases, it is practically impossible to assign a given liability to a particular Debtor. In order to determine the total liabilities of the Debtors, parties in interest should review each Schedule F for all of the Debtors. Although the same claim may be listed on the Schedules and Statements of more than one Debtor, the Debtors do not admit or acknowledge that any creditor, other than creditors who have specific direct or guaranty obligations from more than one of the Debtors, is entitled to assert its claim against more than one Debtor.

As discussed above, the Debtors have omitted the names and addresses of certain creditors in Schedule F. First, to prevent competitors from obtaining confidential commercial information regarding the Debtors' businesses, the Debtors have omitted the names and addresses of Arcapita Group investors who may hold claims, including restricted and unrestricted investment account claims or financial institution payables, versus one or more Debtors. In addition, Schedule F fails to set forth the names and addresses of employees who hold claims versus the Debtors, including unrestricted investment account claims and severance claims. Where an employee's or an investor's name has been redacted or replaced with a numerical designation, such individual or entity has been informed of such numerical designation and therefore, is aware of the scheduled amount and designation of its claim or claims.

In Schedule F, the Debtors identify a number of claims arising in connection with non-Debtor Arcapita Group members. For each Deal Company Claim, the Debtors identify the applicable underlying transaction or non-Debtor affiliate. The Debtors expressly incorporate by reference into Schedule F all parties to pending and potential litigation, if any, listed in question 4(a) of the applicable Debtor's SOFAs as contingent, unliquidated, and disputed claims, to the extent

not already listed on Schedule F. Notably, the claim amounts for many Litigation Claims are undetermined.

Schedule F also lists a co-defendant claim against Falcon Gas Storage Company, Inc. as undetermined.

Schedule F also reflects the prepetition amounts owed to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however, may be paid in connection with the assumption or assumption and assignment of an executory contract or unexpired lease. Schedule F does not include additional rejection damages claims, if any, of the counterparties to executory contracts and unexpired leases that may be rejected as of or after the Petition Date.

The claims of creditors are listed on the Debtors' books and records and may not reflect credits or allowances due from such creditor. The Debtors reserve all of their rights respecting such credits and allowances. The amounts listed may be exclusive of contingent and unliquidated amounts.

Certain liability accounts were in a debit position at the time of the filing. The accounts contained de minimis amounts and are not reflect in the assets or liabilities.

- f) Schedule G. While every reasonable and good faith effort has been made to ensure the accuracy and completeness of Schedule G, inadvertent errors or omissions may have occurred. Certain of the leases and contracts listed on Schedule G may contain renewal options, guarantees of payment, options to purchase, rights of first refusal and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth on Schedule G.

The Debtors hereby reserve all of their rights to dispute the validity, status or enforceability of any contracts, agreements or leases set forth in Schedule G and to amend or supplement such Schedule as necessary.

Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease. The Debtors reserve all rights to amend Schedule G to add executory contracts or unexpired leases or to challenge the legal status of any contract or lease, including the characterization of any lease as an unexpired non-residential real property lease, or whether any listed contract, lease or other agreement constitutes an executory contract or unexpired lease. Any and all of the Debtors' rights, claims and causes of action regarding the contracts and agreements listed on Schedule G are hereby reserved and preserved.

- g) Schedule H. Schedule H also reflects guarantees by various Debtors. The Debtors may not have identified certain guarantees that are embedded in the Debtors' executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. Further, certain of the guarantees

reflected on Schedule H may have expired or may be no longer enforceable. Thus, the Debtors reserve their right to amend the Schedules to the extent that additional guarantees are identified or such guarantees are discovered to have expired or become unenforceable.

- h) SOFA Question 1. The amounts reported in response to Statement question 1 reflect the Debtors' net operating income (losses) for the applicable period.
- i) SOFA Question 3(b). Payments are listed by the entity making such payment notwithstanding that certain payments may have been made on behalf of another Arcapita Group entity. In addition, consistent with Schedule F, to protect confidentiality and employees' privacy, employee names and addresses are omitted from SOFA question 3(b).
- j) SOFA Question 3(c). Payments are listed by the entity making such payment notwithstanding that certain payments may have been made on behalf of another Arcapita Group entity. Where possible and/or applicable, the entity that the payment was made on behalf of is listed with the response. In addition, consistent with Schedule F, to protect confidentiality and privacy of employees and investors, employee and investor names and addresses are omitted from SOFA question 3(c). To additionally protect employee privacy, payments made to employees are shown as a total for the year preceding the commencement of the case, and not detailed by payment.
- k) SOFA Question 4(a). The Debtors have made reasonable and good faith efforts to include in their responses to SOFA Question 4 a complete list of all lawsuits and litigation proceedings to which the Debtors were a party within the one (1) year period immediately preceding the Petition Date. To the extent the Debtors become aware that they have omitted any such lawsuits or proceedings, they will amend their SOFAs.
- l) SOFA Question 18. The Debtors' responses to Statement question 18 includes only ownership interests in businesses that are either (i) direct subsidiaries of the applicable Debtor.
- m) SOFA Question 19. The firms and individuals listed in response to Statement questions 19(a)-(c) are not intended to be an exhaustive list of all parties but rather represent a listing of those firms and/or individuals that supervised or were primarily responsible for the respective tasks.
- n) SOFA Question 21(b). For SOFA Question 21(b), the Debtors list all shareholders holding over 5% of Arcapita's shares, directors, officers and executive directors. To the extent the Debtors become aware that they have omitted to list any party in SOFA Question 21(b), they will amend their SOFAs.

B7 (Official Form 7) (12/07)

## UNITED STATES BANKRUPTCY COURT

Southern District Of New York

In re: Falcon Gas Storage Company, Inc.,  
Debtor

Case No. 12-11790 (SHL)  
(if known)

### STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

### DEFINITIONS

**"In business."** A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

**"Insider."** The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

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#### 1. Income from employment or operation of business

None  State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE
\$428,349.00	Gross Income for April 1, 2011 to March 31, 2012

In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

AMOUNT	SOURCE
\$477,638,195.00	Gross Income for April 1, 2010 to March 31, 2011

Gross Income amount for April 1, 2010 to March 31, 2011 excludes the \$70,000,000 escrow account.

## 2. Income other than from employment or operation of business

None



State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE
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## 3. Payments to creditors

*Complete a. or b., as appropriate, and c.*

None



a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
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None



b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,850. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
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See attached SOFA 3b Rider

The attached rider may include payments made on behalf of affiliates of the Debtor.

In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

- None  c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
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See attached SOFA 3c Rider

#### **4. Suits and administrative proceedings, executions, garnishments and attachments**

- None  a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
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See attached SOFA 4a Rider

- None  b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
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#### **5. Repossessions, foreclosures and returns**

- None  List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
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#### **6. Assignments and receiverships**

In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

- None  a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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- None  b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
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#### 7. Gifts

- None  List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
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#### 8. Losses

- None  List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case.** (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

**9. Payments related to debt counseling or bankruptcy**

None

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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See answer to Question 9 of the Statement of Financial Affairs for Arcapita Bank B.S.C.(c)

**10. Other transfers**

None

a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFeree, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
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None

b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
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**11. Closed financial accounts**

None

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
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In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

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**12. Safe deposit boxes**

None



List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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**13. Setoffs**

None



List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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**14. Property held for another person**

None



List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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**15. Prior address of debtor**

None



If debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
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In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

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ADDRESS	NAME USED	DATES OF OCCUPANCY
5847 San Felipe Suite 3050 Houston, TX 77057	Falcon Gas Storage Company, Inc.	Through April 1, 2010

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#### **16. Spouses and Former Spouses**

- None  If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

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#### **17. Environmental Information**

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

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- None  a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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- None  b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

None  

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS  
OF GOVERNMENTAL UNIT

DOCKET NUMBER

STATUS OR  
DISPOSITION**18. Nature, location and name of business**None  

a. If the debtor is an individual, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
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See attached SOFA 18a Rider

None  

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME

ADDRESS

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer,

In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

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director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement only if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

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#### 19. Books, records and financial statements

- None  a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES SERVICES RENDERED
Matt Bedingfield UHY LLP 12 Greenway Plaza Suite 1202 Houston, TX 77046	April 2010 to November 2, 2010
Matt Coffey EEPB, P.C. 1333 West Loop South Houston, TX 77027	June 2, 2010 to Present

- 
- None  b. List all firms or individuals who within **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME	ADDRESS	DATES SERVICES RENDERED
UHY LLP	12 Greenway Plaza Suite 1202 Houston, TX 77046	April 2010 to November 2, 2010
EEPB, P.C.	1333 West Loop South Suite 1400 Houston, TX 77027	June 2, 2010 to Present

- 
- None  c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME	ADDRESS
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In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

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NAME	ADDRESS
Matt Coffey	EEPB, P.C. 1333 West Loop South Suite 1400 Houston, TX 77027

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None  d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS	DATE ISSUED

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**20. Inventories**

None  a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)

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None  b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS

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**21. Current Partners, Officers, Directors and Shareholders**

None  a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST

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In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

- None  b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
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See attached SOFA 21b Rider

**22. Former partners, officers, directors and shareholders**

- None  a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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- None  b. If the debtor is a corporation, list all officers or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
Nelson, Tore 75 14th Street, 24th Floor Atlanta, GA 30309	Executive Chairman	10/31/2011

**23. Withdrawals from a partnership or distributions by a corporation**

- None  If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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See answer to SOFA 3c

**24. Tax Consolidation Group.**

- None  If the debtor is a corporation, list the name and federal taxpayer-identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

In re: Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

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NAME OF PARENT CORPORATION	TAXPAYER-IDENTIFICATION NUMBER (EIN)
Falcon Gas Storage Company, Inc.	76-0656572
Gastorage Funding, Inc.	22-3946521

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**25. Pension Funds.**

None



If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

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NAME OF PENSION FUND	TAXPAYER-IDENTIFICATION NUMBER (EIN)
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In re : Falcon Gas Storage Company, Inc.

Case No. 12-11790 (SHL)

*[If completed by an individual or individual and spouse]*

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.

Date \_\_\_\_\_ Signature \_\_\_\_\_  
of Debtor \_\_\_\_\_

Date \_\_\_\_\_ Signature of \_\_\_\_\_  
Joint Debtor \_\_\_\_\_  
(if any) \_\_\_\_\_

*[If completed on behalf of a partnership or corporation]*

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date 6/8/2012 Signature   
Print Name \_\_\_\_\_  
And Title Brian McCabe - President and Secretary

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

\_\_\_\_ continuation sheets attached

*Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571*

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**DECLARATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. § 110)**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required by that section.

Printed or Typed Name and Title, if any, of Bankruptcy Petition Preparer

Social-Security No. (Required by 11 U.S.C. § 110.)

*If the bankruptcy petition preparer is not an individual, state the name, title (if any), address, and social-security number of the officer, principal, responsible person, or partner who signs this document.*

Address \_\_\_\_\_

Signature of Bankruptcy Petition Preparer

Date \_\_\_\_\_

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional signed sheets conforming to the Official Form for each person

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 18 U.S.C. § 156.*

**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING  
FALCON GAS STORAGE COMPANY, INC., CASE NO. 12-11790 (SHL)**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NUMBER	PAYMENT DATE	TOTAL PAYMENT AMT
1	AESNECY AVIATION, LTD 8620 W. MONROE SUITE 116 HOUSTON, TX 77061	CHECK #11221	03/05/2012 <b>SUBTOTAL</b>	\$8,400.00 <b>\$8,400.00</b>
2	AIRFLYTE, INCORPORATED WESTFIELD-BARNES AIRPORT 32 AIRPORT DRIVE WESTFIELD, MA 01085	WIRE #0227B1QGC08C005749	02/27/2012 <b>SUBTOTAL</b>	\$92,186.00 <b>\$92,186.00</b>
3	ALVAREZ & MARSAL NORTH AMERICA LLC MONARCH TOWER 3424 PEACHTREE ROAD NE, STE. 1500 ATLANTA, GA 30326	WIRE #0424B1QGC08C004580	04/24/2012 <b>SUBTOTAL</b>	\$10,000.00 <b>\$10,000.00</b>
4	COMPRESSOR SYSTEMS, INC. P.O. BOX 841807 DALLAS, TX 75284	CHECK #11222 CHECK #11225	03/05/2012 03/20/2012 <b>SUBTOTAL</b>	\$5,000.00 \$47,348.40 <b>\$52,348.40</b>
5	GEOSYNTEC CONSULTANTS 900 BROKEN SOUND PARKWAY NW SUITE 200 BOCA RATON, FL 33487	CHECK #11215 CHECK #11232	02/15/2012 04/04/2012 <b>SUBTOTAL</b>	\$4,509.00 \$1,819.52 <b>\$6,328.52</b>
6	MARSH USA AGENCY, INC. P.O. BOX 973767 DALLAS, TX 75397-3767	CHECK #11228	03/20/2012 <b>SUBTOTAL</b>	\$19,500.00 <b>\$19,500.00</b>
7	MORGAN, LEWIS & BOCKIUS LLP 1000 LOUISIANA STREET SUITE 4200 HOUSTON, TX 77002	CHECK #11229	03/20/2012 <b>SUBTOTAL</b>	\$11,241.74 <b>\$11,241.74</b>

\*This listing may include payments made on behalf  
of certain affiliates of the Debtor.

**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING  
FALCON GAS STORAGE COMPANY, INC., CASE NO. 12-11790 (SHL)**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NUMBER	PAYMENT DATE	TOTAL PAYMENT AMT
8	MUSE, STANCIL & CO. 15455 DALLAS PARKWAY SUITE 350 ADDISON, TX 75001	CHECK #11238 CHECK #11242	04/19/2012 04/23/2012	\$27,791.36 \$19,386.62 <b>SUBTOTAL</b>
				<hr/>
9	UHY ADVISORS TX, LLC 12 GREENWAY PLAZA 12TH FLOOR HOUSTON, TX 77046	CHECK #11220 CHECK #11236 CHECK #11241	02/15/2012 04/04/2012 04/19/2012	\$52,045.35 \$7,434.49 \$5,309.36 <b>SUBTOTAL</b>
				<hr/>
			<b>GRAND TOTAL</b>	<b>\$311,971.84</b>

\*This listing may include payments made on behalf  
of certain affiliates of the Debtor.

**PAYMENTS TO INSIDERS MADE WITHIN 1 YEAR PRIOR TO FILING  
FALCON GAS STORAGE COMPANY, INC., CASE NO. 12-11790 (SHL)**

ITEM	NAME AND ADDRESS	PAYMENT TYPE	PAYMENT DATE	TOTAL PAYMENT AMT
1	NELSON, TORE C. ADDRESS ON FILE	CHECK #11185	11/07/2011 <b>SUBTOTAL</b>	\$1,367.44 <b>\$1,367.44</b>
2	TCN CONSULTING ADDRESS ON FILE	CHECK #11123 CHECK #11132 CHECK #11143 CHECK #11154 CHECK #11161 CHECK #11176 CHECK #11183 CHECK #11193 CHECK #11200 CHECK #11211 CHECK #11224 CHECK #11235 CHECK #11240	05/03/2011 06/01/2011 07/01/2011 07/29/2011 09/01/2011 10/06/2011 11/07/2011 12/08/2011 01/09/2012 01/30/2012 03/05/2012 04/04/2012 04/19/2012 <b>SUBTOTAL</b>	\$19,000.00 \$19,000.00 \$19,000.00 \$32,000.00 \$7,000.00 \$7,000.00 \$7,000.00 \$5,250.00 \$3,500.00 \$3,500.00 \$3,500.00 \$3,500.00 <b>\$132,750.00</b>
			<b>GRAND TOTAL</b>	<b>\$134,117.44</b>

IN RE: Falcon Gas Storage Company, Inc.

CASE NO. 12-11790 (SHL)

**SOFA 3C  
INTERCOMPANY BALANCE**

<b>NAME OF ENTITY</b>	<b>RELATIONSHIP TO DEBTOR</b>	<b>BALANCE AS OF 4/30/2011</b>		<b>BALANCE AS OF 4/30/2012</b>		<b>VARIANCE</b>
GASorage Funding II Inc.	Affiliate (Non-Debtor)	\$	845,000.00	\$	857,800.95	\$ 12,800.95
GASorage Funding Inc.	Affiliate (Non-Debtor)	\$	-	\$ 11,568.51	\$	11,568.51
Mobay Storage HUB	Affiliate (Non-Debtor)	\$	627.60	\$ 987,234.72	\$	986,607.12
		<b>TOTAL \$</b>	<b>845,627.60</b>	<b>\$ 1,856,604.18</b>	<b>\$</b>	<b>1,010,976.58</b>

IN RE: Falcon Gas Storage Company, Inc.

CASE NO. 12-11790 (SHL)

**SOFA 4A**  
**SUITS AND ADMINISTRATIVE PROCEEDINGS, EXECUTIONS, GARNISHMENTS AND ATTACHMENTS**

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Lowell C. Thronson, et. al. v. Falcon Gas Storage, Inc. Case No. 2011-25202 (RW)	Breach of Contract and Fiduciary Duty	157th Judicial District, Harris County, TX	Pending
Tide Natural Gas Storage I, LP et al. v. Falcon Gas Storage Company, Inc. et al. Case No. 10-CV-5821	Commercial Dispute	United States District Court, Southern District of New York	Pending

IN RE: Falcon Gas Storage Company, Inc.

CASE NO. 12-11790 (SHL)

**SOFA 18A RIDER**  
**NATURE, LOCATION AND NAME OF BUSINESS**

NAME	TAXPAYER ID NO.	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
Mobay Gas Storage Hub, LLC	N/A	5847 San Felipe Houston, TX 77057	Natural Gas Storage	Through 10/1/2006
NorTex Gas Storage Company, LLC	N/A	5847 San Felipe Houston, TX 77057	Natural Gas Storage	10/16/2006 through 3/31/2010

IN RE: Falcon Gas Storage Company, Inc.

CASE NO. 12-11790 (SHL)

**SOFA 21B RIDER**  
**CURRENT PARTNERS, OFFICERS, DIRECTORS AND SHAREHOLDERS**

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
GAStorage Funding, Inc. 75 14th Street, 24th Floor Atlanta, GA 30309	Equity Holder	100%
Griffith, Charles L. 75 14Th Street, 24Th Floor Atlanta, GA 30309	Director	N/A
Grisette, Layton 75 14Th Street, 24Th Floor Atlanta, GA 30309	Vice President	N/A
Keough, Kevin J. 75 14Th Street, 24Th Floor Atlanta, GA 30309	Director	N/A
McCabe, Brian 75 14Th Street, 24Th Floor Atlanta, GA 30309	Director, President and Secretary	N/A
Nelson, Tore 75 14Th Street, 24Th Floor Atlanta, GA 30309	Director	N/A